

## Knock In Convertible

### Purpose

This document provides you with key information about this product. It is not marketing material. The information is required by law to help you understand the nature, risks, costs, potential gains and losses of this product and to help you compare it with other products.

<b>Product Name</b>	<b>Knock In Convertible</b>
<b>Manufacturer</b>	Western Union International Bank GmbH (WUIB)
<b>Website</b>	<a href="https://business.westernunion.com/en-ie/">https://business.westernunion.com/en-ie/</a>
<b>Contact Information</b>	<a href="tel:1800832771">1 800 832 771</a>
<b>Regulator</b>	<a href="#">Austrian Financial Market Authority (Finanzmarktaufsicht)</a>
<b>Document Date</b>	05/02/2021

**NOTE: You are about to purchase a product that is not simple and may be difficult to understand**

### What is this Product?

**Type** An over-the-counter (OTC) foreign exchange derivative structure - Knock In Convertible

**Description:** The Knock In Convertible is a Structured Option which allows the buyer to protect against the risk that the GBPUSD rate will be less favourable than a nominated Protection Rate at the Expiry Date whilst retaining the ability to take advantage of favourable currency movements as far as a Knock In Rate. If the underlying GBPUSD rate trades at or beyond the Knock In Rate at any time during the life of the contract, the buyer will be obliged to trade at the Protection Rate on expiry unless the Knock Out Rate has been breached. If the GBPUSD rate trades at or beyond the Knock Out Rate (either before or after the Knock In Rate), the buyer's obligation to trade ceases to exist leaving a no obligation Vanilla Option giving the right to trade at the Protected Rate.

A Knock In – Convertible is structured by entering into two concurrent options. In the first you buy a Put Option giving you the right, but no obligation to deal the Protected Amount with WUIB at the Protection Rate on the Expiry Date. In the second you sell a Call Option to WUIB at the Protection Rate with a Knock In Rate and a Knock Out Rate. This option remains dormant and cannot be exercised against you unless the underlying Spot Rate trades at or beyond the Knock In Rate during the life of the contract. If the market does trade at or beyond the Knock In rate, the Call option is activated along with the Knock Out Rate. If, at the expiry time on the Expiry Date, the Spot Rate remains more favourable than the Protection Rate and has not traded at the Knock Out rate, you will be obliged to deal the Obligated Amount with WUIB at the Protection Rate. However, if the Spot Rate trades at or beyond the Knock Out Rate, this obligation is cancelled and you are once again left with the right, but no obligation to trade at the Protection Rate.

Where applicable, a Window Barrier can only be triggered during a specified period of time, rather than throughout the life of the contract, while an At Expiry barrier can only be triggered at the expiry time on the expiry date

<b>Protection Rate</b>	<b>1.3525</b>	<b>Protected Amount</b>	<b>EUR 10,000</b>
		<b>Obligated Amount</b>	<b>EUR 10,000</b>
<b>Knock In Barrier</b>	<b>1.4208</b>	<b>Expiry</b>	<b>05/11/2021</b>
<b>Knock Out Barrier</b>			

**Intended Retail Investor** This product is suitable for any corporate customer that has some prior experience of hedging currency risk, using either forwards or options, who wants to protect against downside risk without forgoing the ability to participate to some degree in favourable rate moves.

**Term** This Document assumes a term of 9 months, a typical duration for this structure type; however, the term of the contract will be agreed with you when entering into the deal. Once agreed, the buyer retains the right to request cancellation of the contract prior to expiry on demand, although this will incur a cost (see below). Western Union reserves the right to terminate the contract only in circumstances where the buyer is in breach of the contract terms, or becomes insolvent.

**What are the risks and what could I get in return?**



Lower Risk

Higher Risk

The risk indicator assumes you keep the product for 9 months. The actual risk can vary significantly if you end your product at an early stage and you may get back less. You may not be able to end your product early. You may have to pay significant extra costs to end your product early.

The Summary Risk Indicator is a guide to the level of risk of this product compared to other products. It shows how likely it is that the product will lose money because of movements in the markets or because we are not able to pay you.

**We have classified this product as 7 out of 7, which is the highest risk class.** This rates the potential losses from future market performance at a very high level, and poor market conditions are very likely to impact the capacity to pay you.

This product does not include any protection from future market performance so you could lose some or all of your investment.

In some circumstances you may be required to make payments to pay for losses. The total loss you may incur may significantly exceed the amount invested.

**If we are not able to pay you what is owed, you could incur significant losses**

**Nominal Amount EUR 10,000**

Scenarios		9 months (Recommended Holding Period)
Stress Scenario	<b>What you might get back or pay after costs</b>	EUR -3,627
	Percentage return/loss over nominal amount	-36%
Unfavourable Scenario	<b>What you might get back or pay after costs</b>	EUR -1,209
	Percentage return/loss over nominal amount	-12%
Moderate Scenario	<b>What you might get back or pay after costs</b>	EUR 71
	Percentage return/loss over nominal amount	1%
Favourable Scenario	<b>What you might get back or pay after costs</b>	EUR 919
	Percentage return/loss over nominal amount	9%

The table shows the money you could get back or pay over the next 9 months (Recommended Holding Period), under different scenarios, assuming a nominal value of EUR 10,000.

The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios for other products.

The stress scenario shows what you might get back in extreme market circumstances, and it does not take into account the situation where we are not able to pay you.

The scenarios presented are an estimate of future performance based on evidence from the past on how the value of this product varies, and are not an exact indicator. What you get will vary depending on how the market performs and how long you keep the product

This product cannot be easily ended. This means it is difficult to estimate how much you would get if you end before the end of the recommended holding period. You will either be unable to end early or you will have to pay high costs or make a large loss if you do so.

The figures shown include all the costs of the product itself and includes the costs of your advisor or distributor. The figures do not take into account your personal tax situation, which may also affect how much you get back.

**What Happens If Western Union International Bank GmbH is unable to pay out?**

As counterparty to your product you are relying upon WUIB's financial ability to fulfil its obligations to you upon maturity of the contract. This means that if WUIB is unable to pay out, you may not receive any amount at maturity of this contract. To aid in your assessment of this risk WUIB will provide you with a copy of its latest audited financial statements upon request. You may request a copy of our most recent financial statements by emailing us at [options@westernunion.com](mailto:options@westernunion.com).

